



PAIR INVESTMENT COMPANY LIMITED
Un-audited Financial Statements
For the half year ended 30 June 2012



Grant Thornton

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AUDITORS' REPORT TO MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

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Introduction

We have reviewed the accompanying condensed interim statement of financial position of PAIR Investment Company Limited (the Company) as at June 30, 2012 and the related condensed interim profit and loss account, condensed interim statement of other comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and the relevant notes for the half year then ended (hereinafter referred to as "condensed interim financial information"). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the condensed interim financial information based on our review. The figures of the condensed interim profit and loss account, condensed interim statement of comprehensive income for the quarters ended June 30, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2012.

Scope of Review


We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended June 30, 2012 is not prepared in all material respects, in accordance with approved accounting standards, as applicable in Pakistan for interim financial reporting.

The financial information of the Company for the half year ended June 30, 2011 and financial statements for the year ended December 31, 2011 were reviewed and audited respectively by another firm of Chartered Accountants, whose review report dated October 1, 2011 and audit report dated January 31, 2012 expressed an unmodified conclusion and unmodified opinion on those statements respectively.

Karachi
Date: September 05, 2012


Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

PAİR INVESTMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)


AS AT JUNE 30, 2012


		30 June 2012 (Unaudited) (Rupees in '000)	31 December 2011 (Audited) (Rupees in '000)
ASSETS	Note		
Cash and balances with treasury banks		24,547	9,143
Balances with other banks		30,556	20,675
Lendings to financial institutions		-	-
Investments - net	5	10,593,866	8,974,337
Advances - net	6	3,614,200	2,475,156
Operating fixed assets	7	70,705	48,060
Deferred tax assets - net		78,562	80,756
Other assets		253,673	236,992
		14,666,109	11,845,119
LIABILITIES			
Bills payable		-	-
Borrowings	8	5,384,037	3,695,484
Deposits and other accounts	9	988,040	260,000
Sub-ordinated loans		-	-
Liabilities against assets subject to finance lease		-	-
Deferred tax liabilities		-	-
Other liabilities		212,829	158,938
		6,584,906	4,114,422
NET ASSETS		8,081,203	7,730,697
REPRESENTED BY			
Share capital	10	6,000,000	6,000,000
Reserves		383,189	327,714
Unappropriated profit		1,532,761	1,310,862
		7,915,950	7,638,576
Surplus on revaluation of assets - net of tax	11	165,253	92,121
		8,081,203	7,730,697
CONTINGENCIES AND COMMITMENTS	12		

The annexed notes 1 to 15 form an integral part of these condensed interim financial information. *AM*


Chairman


Chief Executive and
Managing Director


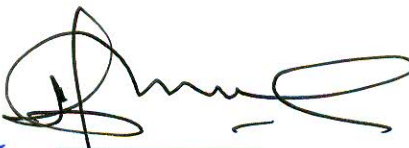



Director


Director

PAIR INVESTMENT COMPANY LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2012

	Half year ended 30 June 2012	Half year ended 30 June 2011	Quarter ended 30 June 2012	Quarter ended 30 June 2011
Note	----- (Rupees in '000) -----			
Mark-up / return / interest earned	734,036	630,584	389,637	315,881
Mark-up / return / interest expensed	305,581	174,539	175,628	93,693
Net mark-up / interest income	428,455	456,045	214,009	222,188
Provision against non-performing loans and advances (Reversal) / provision against for diminution in the value of investments	- (39,845)	33,799 245,942	- (32,120)	33,799 236,630
5.4	(39,845)	279,741	(32,120)	270,429
Net mark-up / interest income after provisions	468,300	176,304	246,129	(48,241)
NON MARK-UP / INTEREST INCOME				
Fee, commission and brokerage income	10,609	5,621	6,527	980
Dividend income	12,467	16,701	1,451	6,856
Income from dealing in foreign currencies	205	-	205	-
Gain on sale of securities - net	23,532	65,990	8,346	33,612
Unrealised (loss) on revaluation of investments classified as 'held for trading'	(147)	(29,149)	(2,942)	(25,200)
Gain on sale of fixed assets	253	-	-	-
Total non mark-up / interest income	46,919	59,163	13,587	16,248
NON MARK-UP / INTEREST EXPENSES				
Administrative expenses	111,726	59,230	62,874	27,571
Other charges	8,315	9,873	4,460	5,120
Total non mark-up / interest expenses	120,041	69,103	67,334	32,691
PROFIT/(LOSS) BEFORE TAXATION	395,178	166,364	192,382	(64,684)
Taxation				
- Current	121,000	145,109	58,000	68,919
- Prior years	-	-	-	-
- Deferred	(3,196)	(22,627)	(3,196)	(22,627)
PROFIT/(LOSS) AFTER TAXATION	117,804	122,482	54,804	46,292
	277,374	43,882	137,578	(110,976)
Basic and diluted earnings/(loss) per share - Rupees	0.46	0.07	0.23	(0.18)

The annexed notes 1 to 15 form an integral part of these condensed interim financial information. *mm*

 Chairman	 Chief Executive and Managing Director	 Director	 Director
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PAİR INVESTMENT COMPANY LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2012

	Half year ended 30 June 2012	Half year ended 30 June 2011	Quarter ended 30 June 2012	Quarter ended 30 June 2011
	----- (Rupees in '000) -----			
Profit / (loss) after taxation for the period	277,374	43,882	137,578	(110,976)
Other comprehensive income	-	-	-	-
Comprehensive income transferred to equity	<u>277,374</u>	<u>43,882</u>	<u>137,578</u>	<u>(110,976)</u>

Surplus / (deficit) arising on revaluation of assets has been reported in accordance with the requirements of the Companies Ordinance, 1984 and the directives of the State Bank of Pakistan in a separate account below equity.

The annexed notes 1 to 15 form an integral part of these condensed interim financial information. *mm*


Chairman


Chief Executive and
Managing Director



Director

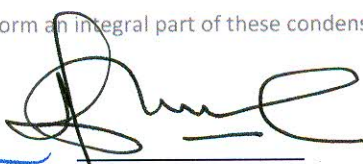

Director

PAİR INVESTMENT COMPANY LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

	30 June 2012 (Rupees in '000)	30 June 2011 (Rupees in '000)
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	395,178	166,364
Less: Dividend income	<u>(12,467)</u>	<u>(16,701)</u>
	382,711	149,663
Adjustments for:		
Depreciation	9,293	6,844
Amortisation	1,132	890
Gain on sale of fixed assets	(253)	-
Unrealised loss on revaluation of 'held for trading' investments	147	29,149
Provision against Worker Welfare Fund	8,085	9,634
Provision against non-performing loans and advances	-	33,799
(Reversal) /provision against for diminution in the value of investments	<u>(39,845)</u>	<u>245,942</u>
	<u>(21,441)</u>	<u>326,258</u>
	361,270	475,921
(Increase) / decrease in operating assets		
Lendings to financial institutions	-	600,000
Advances	<u>(1,139,044)</u>	<u>(196,051)</u>
Others assets (excluding advance taxation)	<u>(15,975)</u>	<u>(11,582)</u>
	<u>(1,155,019)</u>	392,367
Increase / (decrease) in operating liabilities		
Borrowings	1,688,553	308,804
Deposits and other accounts	728,040	200,000
Other liabilities (excluding current taxation)	<u>54,329</u>	<u>(37,057)</u>
	<u>2,470,922</u>	471,747
	1,677,173	1,340,035
Income tax paid - net	<u>(124,133)</u>	<u>(170,382)</u>
Net cash flows from operating activities	<u>1,553,040</u>	<u>1,169,653</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Net investments	<u>(1,506,699)</u>	<u>(1,519,546)</u>
Dividend income received	11,761	20,070
Proceeds from disposal of operating fixed assets	1,555	-
Investment in operating fixed assets	<u>(34,372)</u>	<u>(12,360)</u>
Net cash flows from investing activities	<u>(1,527,755)</u>	<u>(1,511,836)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Net Cash flows from financing activities	-	-
Increase/(Decrease) in cash and cash equivalents	25,285	(342,183)
Cash and cash equivalents at beginning of the period	<u>29,818</u>	<u>363,360</u>
Cash and cash equivalents at end of the period	<u><u>55,103</u></u>	<u><u>21,177</u></u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information.


Chairman


Chief Executive /
Managing Director


Director


Director

PAIR INVESTMENT COMPANY LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2012

	Share capital	Statutory reserves	Unappropriated profit	Total
	----- (Rupees in '000) -----			
Balance as at 1 January 2011	6,000,000	279,204	1,116,823	7,396,027
Total comprehensive Income for the period				
Profit after tax for the half year ended 30 June 2011	-	-	43,882	43,882
Transactions with owners recognised directly in equity				
Transfer to statutory reserve	-	8,776	(8,776)	-
Balance as at 30 June 2011	6,000,000	287,980	1,151,929	7,439,909
Total comprehensive Income for the period				
Profit after tax for the half year ended 31 December 2011	-	-	198,667	198,667
Transactions with owners recognised directly in equity				
Transfer to statutory reserve	-	39,734	(39,734)	-
Balance as at 31 December 2011	6,000,000	327,714	1,310,862	7,638,576
Total comprehensive Income for the period				
Profit after tax for the half year ended 30 June 2012	-	-	277,374	277,374
Transactions with owners recognised directly in equity				
Transfer to statutory reserve	-	55,475	(55,475)	-
Balance as at 30 June 2012	<u>6,000,000</u>	<u>383,189</u>	<u>1,532,761</u>	<u>7,915,950</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial information. *Amr*

 Chairman	 Chief Executive and Managing Director	 Director	 Director
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PAİR INVESTMENT COMPANY LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2012

1. STATUS AND NATURE OF BUSINESS

PAİR Investment Company Limited, "the Company" is an unlisted Public Limited Company incorporated in Pakistan on 15 January 2007 under the Companies Ordinance, 1984. The Company has been notified as a Development Financial Institution (DFI) by the Ministry of Finance, Government of Pakistan. The Company is a 50 : 50 Joint Venture between Government of Pakistan and Iran Foreign Investment Company which is owned by the Government of Iran. The Company obtained Certificate of Commencement of Business on 29 May 2007. It is engaged in financing for industrial and commercial projects, capital and money market operations and other investment banking activities. Its registered office and principal office is situated at ICCI Building, Clifton, Karachi.

2. BASIS OF PREPARATION

2.1 These unconsolidated condensed interim financial information of the Company for the half year ended June 30, 2012 have been prepared in accordance with the requirements of the International Accounting Standard 34 - Interim Financial Reporting, provisions of the Companies Ordinance, 1984 and directives issued by the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan. In case where requirements differ, the provisions of the Companies Ordinance, 1984 and the said directives have been followed. These condensed interim financial information do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2011.

The State Bank of Pakistan has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' for DFIs through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for financial institutions. Accordingly, the requirements of these standards have not been considered in the preparation of these financial information. However, investments have been classified and valued in accordance with the requirements of various circulars issued by SBP.

2.2 These unconsolidated condensed interim financial information have been prepared under the historical cost convention except that certain investments had been marked to market and are carried at fair value.

2.3 These unconsolidated condensed interim financial information are presented in Pak rupees which is the Company's functional and presentation currency.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the purpose of this condensed interim financial information are the same as those applied in preparation of annual financial statements for the year ended December 31, 2011.

4. ACCOUNTING ESTIMATES AND RISK MANAGEMENT POLICIES

4.1 The basis for accounting estimates adopted in the preparation of these condensed interim financial information are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2011.

4.2 The financial risk management objectives and policies adopted by the Company are consistent with that disclosed in the financial statements of the Company for the year ended December 31, 2011.

5. INVESTMENTS

5.1 Investments by types	30 June 2012 (Unaudited)			31 December 2011 (Audited)		
	Held by Company	Given as collateral	Total	Held by Company	Given as collateral	Total
	----- (Rupees in '000) -----					
Held for trading securities						
Fully paid up ordinary shares / certificates / units - Listed	22,091	-	22,091	2,607	-	2,607
Available for sale						
Market treasury bills	548,188	4,142,226	4,690,414	179,402	3,779,000	3,958,402
Fully paid up ordinary shares / certificates / units - Listed	1,704,082	-	1,704,082	1,369,323	-	1,369,323
Fully paid up ordinary shares - Unlisted	296,860	-	296,860	296,860	-	296,860
Sukuk bonds	586,764	-	586,764	414,776	-	414,776
Term finance certificates - Listed	2,882,451	-	2,882,451	2,784,796	-	2,784,796
Term finance certificates - Unlisted	622,915	-	622,915	477,505	-	477,505
	6,641,260	4,142,226	10,783,486	5,522,662	3,779,000	9,301,662
Investments at cost	6,663,351	4,142,226	10,805,577	5,525,269	3,779,000	9,304,269
Provision for diminution in value of investments	(379,927)	-	(379,927)	(419,772)	-	(419,772)
Investments - net of provisions	6,283,424	4,142,226	10,425,650	5,105,497	3,779,000	8,884,497
(Deficit) on revaluation of 'held for trading' securities	(1,026)	-	(1,026)	(879)	-	(879)
Surplus on revaluation of 'available for sale' securities	19,780	149,462	169,242	90,719	-	90,719
Total investments at market value	6,302,178	4,291,688	10,593,866	5,195,337	3,779,000	8,974,337

5.2 Investments by segments	Note	30 June 2012 (Unaudited)	31 December 2011 (Audited)
		(Rupees in '000)	
Federal Government securities			
- Market treasury bills		4,690,414	3,958,402
Fully paid up ordinary shares / certificates / units			
- Listed		1,726,173	1,371,930
- Unlisted	5.3	296,860	296,860
		2,023,033	1,668,790
Term finance certificates			
- Listed		2,882,451	2,784,796
- Unlisted		622,915	477,505
		3,505,366	3,262,301
Sukuk bonds		586,764	414,776
Total investments at cost		10,805,577	9,304,269
Provision for diminution in value of investments	5.4	(379,927)	(419,772)
		10,425,650	8,884,497
(Deficit) on revaluation of 'held for trading' securities		(1,026)	(879)
Surplus on revaluation of 'available for sale' securities		169,242	90,719
Investments (net of provisions)		10,593,866	8,974,337

5.3 This includes an impairment of Rs. 192.959 million which has been recognised against fully paid up ordinary shares of Burj Bank Limited (Unlisted). The company considers that breakup value of the investee company is not representative of its recoverable amount, accordingly impairment testing has been conducted which resulted in a charge of Rs. 192.959 million.

5.4 Particulars of provision held against diminution in value of investments	Note	30 June	31 December
		2012 (Unaudited) (Rupees in '000)	2011 (Audited)
Opening balance		419,772	138,149
Charge for the period		-	281,623
Reversal due to disposal of shares		(39,845)	-
Closing balance		<u>379,927</u>	<u>419,772</u>

6. ADVANCES

Loans in Pakistan		3,697,390	2,574,149
Staff loans		34,464	18,661
Advances - gross		<u>3,731,854</u>	<u>2,592,810</u>
Provision against non-performing advances	6.2	(117,654)	(117,654)
Advances - net of provision		<u>3,614,200</u>	<u>2,475,156</u>

6.1 Category of Classification

Category of classification	As at 30 June 2012				
	Domestic	Overseas	Total	Provision required	Provision held
	------(Rupees in '000)-----				
Other Assets Especially Mentioned (OAEM)	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	393,141	-	393,141	117,654	117,654
	<u>393,141</u>	<u>-</u>	<u>393,141</u>	<u>117,654</u>	<u>117,654</u>

Category of classification	As at 31 December 2011				
	Domestic	Overseas	Total	Provision required	Provision held
	------(Rupees in '000)-----				
Other Assets Especially Mentioned (OAEM)	-	-	-	-	-
Substandard	-	-	-	-	-
Doubtful	-	-	-	-	-
Loss	393,141	-	393,141	117,654	117,654
	<u>393,141</u>	<u>-</u>	<u>393,141</u>	<u>117,654</u>	<u>117,654</u>

6.2 Particulars of provision against non-performing advances

	30 June 2012			31 December 2011		
	Specific	General	Total	Specific	General	Total
	(Rupees in '000)					
Opening balance	117,654	-	117,654	75,141	-	75,141
Charge for the period/year	-	-	-	42,513	-	42,513
Closing balance	<u>117,654</u>	<u>-</u>	<u>117,654</u>	<u>117,654</u>	<u>-</u>	<u>117,654</u>

- 6.3 In accordance with BSD Circular No. 1 dated October 21, 2011 issued by the State Bank of Pakistan, the Company has availed the benefit of Forced Sales Values (FSVs) against the non-performing advances. Had this benefit of FSV not been taken by the Company, the specific provision against non-performing advances would have been higher by Rs. 275.487 million. Further, this amount arising from availing the benefit of FSV is not available for distribution amongst the shareholders either in the form of cash or stock dividend.

7. OPERATING FIXED ASSETS

	Note	30 June	31 December
		2012	2011
		(Unaudited)	(Audited)
		(Rupees in '000)	
Capital work-in-progress		2,080	255
Property and equipment		58,301	46,438
Intangible asset		10,324	1,367
	7.1 & 7.2	<u>70,705</u>	<u>48,060</u>

- 7.1 The following additions were made at cost during the period:

	For the half year ended	
	30 June	30 June
	2012	2011
	(Rupees in '000)	
Office furniture, fixtures, equipment and computers	2,052	4,589
Vehicles	20,393	5,130
Computer software - intangible assets	10,090	1,730
	<u>32,535</u>	<u>11,449</u>

- 7.2 The written down values of fixed assets disposed off during the period were as follows:

Vehicles	1,266	-
Electrical, office and computer equipment	36	-
	<u>1,302</u>	<u>-</u>

		30 June 2012 (Unaudited)	31 December 2011 (Audited)
	Note	(Rupees in '000)	
8. BORROWINGS			
In Pakistan (local currency)	8.1	<u>5,384,037</u>	<u>3,695,484</u>
8.1 Details of borrowings secured / unsecured			
Secured			
Borrowing from State Bank of Pakistan against refinance scheme	8.2	39,462	42,750
Repurchase agreement borrowings	8.3	4,124,575	3,452,734
Term borrowing	8.4	<u>1,000,000</u>	-
		<u>5,164,037</u>	<u>3,495,484</u>
Unsecured			
Clean borrowings		<u>220,000</u>	200,000
		<u>5,384,037</u>	<u>3,695,484</u>
8.2	This borrowing carry mark-up rate of 6.5% per annum (2011 : 6.5%). The borrowing will mature in November 2019.		
8.3	These carry mark-up at rates ranging from 11.80% to 12.60% per annum (2011: 11.9% to 12%) and are secured against Government Securities having carrying amount of Rs. 4,142 million (2011:Rs. 3,779 million). The borrowings will mature up to August 2012 (2011: February 2012).		
8.4	This borrowing carry mark-up rate of 12.45% per annum (2011 : Nil). This borrowing will mature in December 2014.		

9. DEPOSITS AND OTHER ACCOUNTS

Certificates of Investments (COIs)- remunerative (In local currency)			
Financial institutions	9.1	973,000	250,000
Others		<u>15,040</u>	<u>10,000</u>
		<u>988,040</u>	<u>260,000</u>
9.1	The mark-up rates on these COIs range between 11.96% to 12.92% per annum (2011 : 11.6% to 12.4% per annum). These COIs will mature up to 28 September 2012.		

10. SHARE CAPITAL

		30 June 2012 (Unaudited)	31 December 2011 (Audited)
	(Number of shares)	(Rupees in '000)	
10.1 Authorised capital			
	2012	2011	
	<u>1,000,000,000</u>	<u>1,000,000,000</u>	
		<u>10,000,000</u>	<u>10,000,000</u>
10.2 Issued, subscribed and paid-up capital			
	2012	2011	
	<u>600,000,000</u>	<u>600,000,000</u>	
		<u>6,000,000</u>	<u>6,000,000</u>
			Ordinary shares of Rs. 10 each issued for cash

10.3 Major shareholders (holding more than 5% of total paid-up capital)

Name of shareholder	2012		2011	
	Number of shares held	Percentage of shareholding	Number of shares held	Percentage of shareholding
Government of Pakistan *	300,000,000	50%	300,000,000	50%
Iran Foreign Investment Company *	300,000,000	50%	300,000,000	50%
	600,000,000	100%	600,000,000	100%

* This includes nominal shares allotted to the nominee directors of the Company.

**11. SURPLUS ON REVALUATION OF ASSETS
- NET OF TAX**

	30 June 2012 (Unaudited) (Rupees in '000)	31 December 2011 (Audited)
Surplus arising on revaluation of quoted equity securities	44,744	16,964
Deficit arising on revaluation of T-Bills	(7,189)	(1,571)
Surplus arising on revaluation of TFCs	131,687	75,326
	169,242	90,719
Related deferred tax (liability) / asset	(3,989)	1,402
	165,253	92,121

12. CONTINGENCIES AND COMMITMENTS

12.1 The department of inland revenue has re-opened the assessment for the tax years 2009 and 2010 and raised an additional demand in respect of allocation of expenses against exempt capital gains and dividend income subject to tax at reduced rate.

The Company in consultation with the Tax Advisor has filed an appeal and is confident that the ultimate outcome on the matter would be in favour of the Company inter alia on the basis of the advice of the tax consultants.

12.2 Commitments in respect of repo transactions

Repurchase	4,124,575	3,497,953
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12.3 Commitments to extend credit

	941,283	182,023
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12.4 Transaction related contingent liabilities

Guarantees in favour of:		
- Government	-	-
- Financial institutions	-	-
- Others	150,000	-
	150,000	-

13. SEGMENT DETAILS WITH RESPECT TO BUSINESS ACTIVITIES

	Half year ended 30 June 2012			
	Corporate finance	Trading and sales	Commercial banking	Total
	------(Rupees in '000)-----			
Total income	9,478	471,412	339,910	820,800
Total expenses	909	306,317	118,396	425,622
Net income before tax	8,569	165,095	221,514	395,178
Segment assets	-	8,600,992	6,065,117	14,666,109
Segment provision held	-	379,927	117,654	497,581
Segment liabilities	-	4,811,407	1,773,499	6,584,906
Segment return on assets (ROA)(%)	-	1.92%	3.65%	2.69%
Segment cost of funds(%)	-	6.37%	6.68%	6.46%

	Half year ended 30 June 2011			
	Corporate finance	Trading and sales	Commercial banking	Total
	------(Rupees in '000)-----			
Total income	5,621	537,937	146,189	689,747
Total expenses	4,265	408,189	110,929	523,383
Net income before tax	<u>1,356</u>	<u>129,748</u>	<u>35,260</u>	<u>166,364</u>
Segment assets	-	8,623,872	2,357,329	10,981,201
Segment provision held	-	(377,065)	(108,940)	(486,005)
Segment liabilities	-	3,266,632	25,639	3,292,271
Segment return on assets (ROA)(%)	-	1.50%	1.50%	1.51%
Segment cost of funds(%)				15.90%

14. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, directors and key management personnel and their close family members and retirement benefit funds.

Transactions with related parties are executed substantially on the same terms, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

The details of transactions with related parties, other than those which have been specifically disclosed elsewhere in the financial statements are as follows:

14.1 The Key Management Personnel / Directors compensation are as follows:

	30 June 2012 (Unaudited)	31 December 2011 (Audited)
	(Rupees in '000)	
Loans and advances to key management personnel		
Balance at beginning of the period / year	18,299	14,157
Loans granted during the period / year	16,669	5,954
Repayments during the period / year	(670)	(1,812)
Balance at end of the period / year	<u>34,298</u>	<u>18,299</u>

	For the half year ended	
	30 June 2012	30 June 2011
	(Rupees in '000)	
Mark-up received on loans	<u>487</u>	<u>342</u>
Salaries and benefits	<u>55,266</u>	<u>14,629</u>

14.2 Contribution to defined contribution plan

	<u>2,201</u>	<u>1,307</u>
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14.3 Receivable/ (payable) to Iran Foreign Investment Company (net)

	30 June 2012 (Unaudited)	31 December 2011 (Audited)
	(Rupees in '000)	
	<u>34</u>	<u>(138)</u>

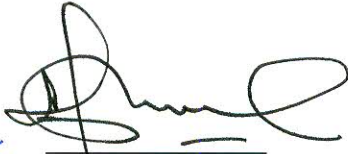
15. DATE OF AUTHORISATION FOR ISSUE

The condensed interim financial information were authorised for issue in the Board of Directors meeting held on 05 SEP 2012.

Mn



Chairman



Chief Executive and
Managing Director



Director



Director